City of Carthage, Missouri

COMMITTEE ON INSURANCE/AUDIT AND CLAIMS

January 23, 2024 - 5:30 PM
CITY HALL COUNCIL CHAMBERS

MINUTES

1. Call to Order

MEMBERS PRESENT: Robin Blair, Tiffany Cossey, Terri Heckmaster, Chris Taylor

STAFF PRESENT: Assistant City Administrator Traci Cox, Deputy City Clerk Amy Taylor

OTHER MEMBERS PRESENT: Mayor Dan Rife, Michael Keith, David Armstrong, Police Chief Bill Hawkins, Michael Miller, Mark Elliff

Chair Robin Blair called the meeting to order at 5:30 PM.

2. Old Business

1. Approval of December 12, 2023 Minutes

   ACTION: Motion to accept/approve item 2.1. by Mr. Taylor
   Motion passed with a 4:0

   AYES: Robin Blair, Tiffany Cossey, Terri Heckmaster, Chris Taylor

2. Review and Approval of the Claims Report

   ACTION: Motion to accept/approve item 2.2 by Ms. Cossey
   Motion passes with a 4:0

   AYES: Robin Blair; Tiffany Cossey, Terri Heckmaster, Chris Taylor

3. Citizens Participation

(Citizens wishing to speak should notify Department Head or Committee Chair in advance)
Mark Peterson, 2121 Laura, stated Jackie Boyer would deliver his comments.
Jackie Boyer, 1184 South Main, delivered a statement written by Mark Peterson about an independent audit report completed by KMP CPA's, which was reported on during regular staff and budget meetings in April 2022, the budget process of 2022, and the resignation of Tom Short, also in 2022.

4. **New Business**

1. Audit Presentation by KPM CPA's - The audit can be viewed at www.carthagemo.gov/page/financial-transparency.
   Rebecca Baker gave an overview of the City of Carthage audit performed by KPM CPA's, stating the audit also included audits for Carthage Water and Electric, the Carthage Public Library, and the McCune Brooks Hospital Trust.

She reported the City received an unmodified, or clean, opinion on the financial statements, which is the best that is awarded.

She reported on the balance sheet of Governmental Funds of the City. The General Fund total assets for the year were $11,400,000, a decrease of $514,000 from the previous year. Total Cash and Investments decreased $1,700,000. The Total Intergovernmental Receivables increased by $949,000. Total Sales Tax Receivables is up $57,000. She informed the committee the Public Facilities Bond Fund is included in the General Fund for reporting purposes. Total Liabilities for the General Fund were $636,000, a decrease of $86,000. Deferred Inflow was $435,000, an increase of $25,000. These are deferred Court Fines the City is not expecting to collect within 60 days of year end. The General Fund has Prepaid Items of $211,000. The Public Facilities Bond Fund is $2,900,000, and is set aside and has to be used for a specific purpose. The General Fund Unassigned Fund Balance is $7,200,000. The General Fund decreased $453,000 from the previous year.

The General Fund had Total Revenues of $12,400,000, and increase of $1,900,000 from the previous year. Tax Revenue was $866,000. Total Intergovernmental Revenue was $3,400,000, up $1,300,000 from the previous year. Total Expenditures in the General Fund were $12,500,000, an increase of $460,000 from the previous year. She reported the General Fund decreased $100,239 before transfers in and out. The General Fund had Transfers in the amount of $621,617, which were transfers of the Park Fund and Parks and Rec tax money. An Operating Transfers Out were $974,000 for Use Tax Funds. The net change in the General Fund Balance is $453,000. The Reserve in the General Fund is 57%, meaning the City has over six months of Operating Costs in reserve, a decrease of 5% from the previous year, which was 62%. The Park/Stormwater Fund increased $6,000, the Capital Improvements Sales Tax Fund increased $1,100,000, the Fire Sales Tax increased $108,000, the American Rescue Plan Act Fund increased $67,000, and the Non-major Governmental Funds increased $1,200,000. The City had Fund Balance increases of $2,100,000 from the previous year.

She reported the audit has identified a material weakness at the golf course, and it is recommended the City evaluate the procedures there to resolve segregation of duties. She reports the City has stated they are aware of the finding and are working on a solution. She also mentioned the new accounting pronouncements coming into effect June 30, 2024 and for Fiscal year 2025. She suggested attending training for this if it becomes available to be sure the financial statements are presented fairly. It was also suggested the City be sure they have policies and procedures in place for cybersecurity, including employee knowledge of who to contact should they have a cybersecurity issue. It was also recommended the City perform a general internal control review, being sure to document controls for new employees to view. She conveyed the importance of performing inventories at the golf course.

In closing, she expressed gratitude to Traci Cox and the City for making their jobs very easy and being cooperative and professional during the audit process. She commended Ms. Cox on her accounting procedures, stating there are very few journal entries in the City's audit due to the diligent recordkeeping Ms. Cox provides.

2. Consider and discuss employee dental plan.
   Ms. Cox reported Delta Dental rates for 2024 were received and have remained the same as the previous year for the employee dental plan. A motion was made by Mr. Taylor to accept the rate and remain with Delta Dental for Employee Dental Insurance. All aye. Motion carried.

5. Adjournment

ACTION:	Motion to adjourn at 5:56 PM by Ms. Cossey Motion passed with a 4:0
AYES:	Robin Blair, Tiffany Cossey, Terri Heckmaster, Chris Taylor